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Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

2001

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Report Highlights: A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue's highlights include: Japan Fair Trade Commission issues anti-monopoly warning on liquor sales; recent foreign coffee chain boom sparks new trend in bakery cafés; applications for JAS organic certification skyrocket prior to new April law; Narita airport starts shoe disinfection service to fight spread of food-and-mouth disease from Britain; and imports of fresh vegetables from South Korea growing rapidly.

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Wholesale/Retail

- Japan's Fair Trade Commission warned 8 companies, including *Hokuren Trading Company* and *Big Boy*, of the possibility of anti-monopoly law violations from selling beer and malt liquors at a price below cost. (a 3/9)
- As part of its restructuring plan, *Mycal* recruited 1,700 people to leave the company. Recruiting had to be closed on the same day of the notice since the number of applicants exceeded 1,700 after only 4 hours. (a 3/12)

Food Service

- Bakery cafés are increasing due to a new consumer trend brought about by the emergence of foreign coffee chains in Japan. *Yamazaki Bakery* will open 15 outlets of its "Vie de France Café" chain by December 2001, with new menu items such as Café Latte and Café Mocha Smoozy. *Royal* also plans to increase the number of outlets of its "Café Croissant" and expand into a franchise chain in the future. *SHiDAX Food Service* also opened a bakery café called "Bon Pasto" last September. (b 3/6)
- Following *Japan Tobacco's* closing of their Burger King franchise business in Japan, *Seibu Trading Company* will also close its Burger King operations by March 25. Some of the outlets will be transferred to the *First Kitchen* fast food chain. (b 3/6)
- In cooperation with *ATO Osaka*, *Friendly* family restaurant chain is featuring a Great American Fair in all of its restaurants starting March 6, introducing various dishes using U.S. ingredients. (c 3/9)

Food Processing/New Products/Market Trends

- In preparation for the new organic food labeling law which takes effect in April, the number of farmers and companies applying for JAS organic certification has skyrocketed since January. *Japan Organic and Natural Foods Association (JONA)* expected 300 applicants by March, but has hardly been able to keep up with demand. The new organic label is seen as a way for Japanese producers to better compete with imported organic vegetables. (b 3/6)
- The *Japan Organic Food Products Certification Communication Council*, an industry coalition consisting of registered JAS organic certification agencies, was launched on March 9. As of that date, 37 registered certification agencies have been approved by Japan's Agriculture Ministry, of which 15 have joined the new council. (c 3/14)
- Due to the serious spread of foot-and-mouth disease in Great Britain, Narita airport has started a shoe disinfection service for people returning from Britain who have visited dairy-related areas. (a 3/7)
- According to a survey released on March 6 by Japan's Agriculture Ministry, 7.7% of the food consumed by Japanese households becomes food waste, compared to 5.1% for the food service industry, and 23.9% for wedding parties. (a 3/7)

ATO/Cooperator/Competitor Activities/Trade Shows

- Similar to the recent surge in imports from China, imports of South Korean fresh vegetables, such as tomatoes and paprika, are growing rapidly. Due to low price and high quality, the quantity of imports increased 8.2% in 2000 over the previous year. (a 3/16)
- The *Norway Seafood Export Council (NSEC)* announced on February 23 that the value of Norwegian seafood exports globally increased 23% in January over the same month last year. The quantity also increased by 20%. *NSEC* expects exports to reach 40 billion krone in 2001. (c 3/7)
- The Embassy of Thailand held a Thai wine tasting seminar at the Thai Ambassador's Residence on February 19. (c 3/5)
- The *French Trade Fair Association's Japan Office* held a press conference announcing "Euro Bread 2002" which will be held in Paris April 20-24. (c 3/7)
- The *California Prune Board* will hold a major TV commercial campaign featuring the health effects of prunes on March 15 - April 4. *Cal Prune* will also sponsor a contest featuring prunes & bananas in connection with the promotion. Manufacturers, such as *Rokko Butter*, are also starting to promote prune products. (e 3/7)
- The High Technology Industry Center of Japan's Agriculture Ministry held a GMO seminar for the press in Tokyo on March 7. Dr. Lester Crawford, a former FDA Director, and other specialists were invited to make presentations. (e 3/9)
- The *Japan Self Service Association* held its "2001 Supermarket Trade Show" on March 6-9 at the Tokyo International Exhibition Center. About 227 exhibitors participated, greatly exceeding the number last year. (e 3/12)
- The State of California Japan Office held a "Food, Wine, and Movie Night" on March 8 at the Osaka Tenpozan Harbor Village, inviting 300 business people. (f 3/15)

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| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |

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